

Easterling, Deborah

232044

From: Easterling, Deborah  
Sent: Tuesday, September 06, 2011 3:54 PM  
To: 'Tim Camp'  
Subject: RE: Scanned from MFP-04400893 09/06/2011 14:04

Dear Mr. Camp,

This is to acknowledge receipt of your email to the Public Service Commission. I am forwarding your email to our Clerk's Office for processing. Your email will become a part of Docket No. 2011-271-E and will be posted on our website under this docket.

Please let me know if you should require any additional information.

RECEIVED

Sincerely,

Deborah Easterling  
Administrative Assistant

SEP 06 2011

PSC SC  
MAIL / DMS

-----Original Message-----

From: Tim Camp [<mailto:tcamp@carolinaalliancebank.com>]  
Sent: Tuesday, September 06, 2011 3:32 PM  
To: Easterling, Deborah  
Subject: FW: Scanned from MFP-04400893 09/06/2011 14:04

Deborah,

Please see the attached article published today, September 6, 2011 outlining the Duke Power / Progress merger and "guaranteed savings to customers." If memory serves me right Duke Power is asking for an increase in rates that will affect the average South Carolinian by approximately 17%. I'm not a math whizz but if a 17% increase in rates is a "guaranteed savings" I'd hate to see what constitutes a true increase!

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Carolina Alliance Bank  
200 South Church Street

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-----Original Message-----

From: Fax Machine [<mailto:fax@carolinaalliancebank.com>]  
Sent: Tuesday, September 06, 2011 3:05 PM  
To: Tim Camp  
Subject: Scanned from MFP-04400893 09/06/2011 14:04

Scanned from MFP-04400893.

Date: 09/06/2011 14:04

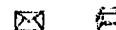
Pages:1

Resolution:200x200 DPI

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# Duke, Progress guarantee savings to customers in merger settlement



Staff Report

Published Sept. 6, 2011

In a proposed merger-related settlement with N.C. Public Staff, Duke Energy and Progress Energy would guarantee to pass on a share of \$650 million in savings to customers.

N.C. Public Staff serves as the state's chief consumer advocate on utility matters. Other parties will file testimony with the N.C. Utilities Commission related to the merger application and the proposed settlement agreement by Wednesday.

The proposed merger of Duke and Progress still requires approval from South Carolina regulators too, but at least parts of this settlement affect South Carolina customers.

## Previous coverage

[Duke, Progress shareholders OK merger](#)

[Duke-Progress merger may impact jobs, rates](#)

[Duke to acquire Progress Energy](#)

If the settlement is approved by the N.C. Utilities Commission, for example, Duke said the companies will guarantee a cumulative amount of \$650 million in savings to customers in North Carolina and South Carolina in the first five years after the merger closes. The savings will come through efficiencies in fuel procurement, fuel usage,

fuel transportation and jointly dispatching Duke Energy Carolinas and Progress Energy Carolinas power plants to serve Carolinas' customers.

The proposed settlement with the N.C. Public Staff regarding the companies' proposed merger would also provide for the following:

- The companies will continue their current level of community financial support of approximately \$16.5 million annually for a minimum of four years after the merger closes, based on each company's average level of community support over the last five years -- approximately \$9.2 million for Duke Energy and approximately \$7.28 million annually for Progress Energy;
- The companies will provide \$15 million for low-income household weatherization, community college programs that target technical and vocational training, or similar organizations and initiatives; and
- Direct merger-related expenses will not be recovered from customers. Recovery of employee severance costs can be requested separately.

"We are very pleased to have reached this proposed settlement agreement with the Public Staff," said Bill Johnson, chairman, president and CEO of Progress Energy and the named CEO and president of the merged company. "The settlement will provide constructive and tangible benefits for our customers and communities."

To date, the companies have made the following filings, in addition to the North Carolina filing:

- Merger-related filings with the Public Service Commission of South Carolina, which has scheduled hearings for Oct. 26.
- An application to approve the merger with the Kentucky Public Service Commission, which has provided conditional approval.
- Joint filings with the Federal Energy Regulatory Commission and with the Nuclear Regulatory Commission (the latter related to nuclear plant license transfers).
- Hart-Scott-Rodino filing with the U.S. Department of Justice and Federal Trade Commission. The waiting period under the HSR Act expired April 27, 2011.